



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5921-N-11]

The Privacy Act Of 1974, As Amended;

**Notice of New HUD Certified Housing Counselor and Client Certificate of Housing
Counseling Database, System of Records**

AGENCY: Office of the Assistance Secretary for Housing, HUD

ACTION: New System of Records.

SUMMARY: The Department's Office of the Assistant Secretary for Housing, Federal Housing Commissioner is proposing to create a new system of records, the HUD Certified Housing Counselor and Client Certificate of Housing Counseling Database. The Office of the Assistant Secretary for Housing, Federal Housing Commissioner provides support to a nationwide network of housing counseling agencies that provide products and services to current and prospective homeowners, homeowners at risk of default, renters, and the homeless. Public Law 111-203 (2010) amends section 106 of the Housing and Urban Development Act of 1968 to improve the effectiveness of housing counseling services in HUD programs by, among other things, requiring that the entities and individual counselors be certified by HUD as competent to provide such services. The new HUD Certified Housing Counselor and Client Certificate of Housing Counseling Database will allow the Department to collect and track certification examination requirements and client housing counseling certificates issued by counselors participating in the Department's Housing Counseling Program. A detailed description of the new system and its functions are contained in the Purpose statement of this notice.

DATES: EFFECTIVE DATE: The notice will be effective **[INSERT DATE THAT IS 30 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER]**, unless comments are received that would result in a contrary determination.

[COMMENTS DUE DATE]: [INSERT DATE THAT IS 30 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested persons are invited to submit comments regarding this notice to the Rules Docket Clerk, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10276, Washington, DC 20410-0500.

Communications should refer to the above docket number and title. Faxed comments are not accepted. A copy of each communication submitted will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address.

FOR FURTHER INFORMATION CONTACT: Frieda B. Edwards, Acting Chief Privacy Officer, 451 Seventh Street, SW, Room 10139, Washington, DC 20410, telephone number 202-402-6828 (this is not a toll-free number). Individuals who are hearing- and speech-impaired may access this number via TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

SUPPLEMENTARY INFORMATION: Publication of this notice allows the Department to satisfy its reporting requirement and keep an up-to-date accounting of its system of records publications. The new system of records incorporates Federal privacy requirements and HUD policy requirements. The Privacy Act places on Federal agencies principal responsibility for compliance with its provisions, by requiring Federal agencies to safeguard an individual's records against an invasion of personal privacy; protect records contained in an agency system of records from unauthorized disclosure; ensure that the records collected are relevant, necessary,

current, and collected only for their intended use; and adequately safeguard the records to prevent misuse of such information. In addition, this notice demonstrates the Department's focus on following industry best practices to protect the personal privacy of the individuals covered by this system of records.

The system of records states the name and location of the record system, the authority for and manner of its operations, the categories of individuals that it covers, the type of records that it contains, the sources of the information in the records, the routine uses made of the records, and the type of exemptions in place for the records. Further, this notice includes the business addresses of the Department officials who will inform interested persons of the procedures whereby they may gain access to and/or request amendments to records pertaining to them.

Pursuant to the Privacy Act and the Office of Management and Budget (OMB) guidelines, a report of this new system of records was submitted to OMB, the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Oversight and Government Reform as instructed by paragraph 4c of Appendix I to OMB Circular No. A-130, "Federal Agencies Responsibilities for Maintaining Records About Individuals," July 25, 1994 November 28, 2000.

AUTHORITY: 5 U.S.C. 552a; 88 Stat. 1896; 42 U.S.C. 3535(d).

Dated: July 22, 2016.

Patricia A. Hoban-Moore
Senior Agency Official for Privacy

[Docket No. FR-5921-N-11]
BILLING CODE: 4210-67

SYSTEM OF RECORDS NO.: HSNH.SF/HC.01

SYSTEM NAME: HUD Certified Housing Counselor and Client Certificate of Housing Counseling Database. The systems impacted are the Housing Counseling System (F11), the Computerized Home Underwriting Management System (F-17), the FHA Connection (F-17C), the Single Family Housing Enterprise Data Warehouse (D64A)), and the HUD Certified Housing Counselor and Client Certificate of Housing Counseling Database, which is a module of F11.

SYSTEM LOCATION: The database is physically located at the Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410, and accessed by HUD field offices with authorized access. Records are maintained and transmitted to this database from the virtual environment of the service providers under contract with HUD.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM: Individuals who intend to access the examination or training materials offered by HUD in association with the certification requirements, whether or not they become certified; individuals seeking HUD certified housing counselor certification; or housing counseling clients receiving housing counseling from an agency participating in HUD's Housing Counseling Program.

CATEGORIES OF RECORDS IN THE SYSTEM: The categories of records collected by the HUD Certified Housing Counselor and Client Certificate of Housing Counseling Database are as follows:

- 1) **Individuals registering to access HUD Certified Housing Counselor training:** Legal first and last name, mailing address, telephone number, email address, and fax number (if applicable).

- 2) **Individuals registering to access the HUD Housing Counselor Certification**

Examination: Legal first and last name, mailing address, telephone number, email

address, fax number (if applicable), Social Security number (SSN), and employer's HUD Housing Counseling System (HCS) number (if registrant's employer is a housing counseling agency participating in HUD's Housing Counseling Program). Registrants have the option of providing demographic information: race, ethnicity, gender and languages in which counseling services are offered. HUD is collecting information on languages to assess the number of examinees that might benefit from certification examination training materials being available in other languages. Information for fee payment will be collected by a third party vendor and will include credit card number, expiration date, and security code.

3) **Individuals registering for HUD Certified Housing Counselor status or for Agency**

Application Coordinator for FHA Connection: Legal first and last name, mailing address, telephone number, email address, fax number (if applicable), Social Security number (SSN), HUD Housing Counselor Certification System ID number, mother's maiden name, and employer's HUD Housing Counseling System (HCS) ID number, and verification of employing agency's name.

4) **Examination Information:** Scores from housing counselor certification examination list of all test-takers who pass the certification examination.

5) **Client Certificate of Housing Counseling:** Legal first and last name and address of the housing counseling client receiving counseling services from an agency participating in HUD's Housing Counseling Program; legal first and last name and the Counselor ID number of the counselor completing the client certificate of housing counseling; name, address, telephone number, Employer Identification Number (EIN), and HCS ID number of the agency participating in HUD's Housing Counseling Program; date and type of

counseling service received; fees collected or waived; and whether counseling or education occurred in-person or remotely (telephone or Internet).

NOTE: Certain records maintained by this database pertain to individuals in their role as a sole proprietorship under the Department's Housing Counseling Program. This information may reflect personal information; however, only the records that are personal, about the individual who is the subject of the record, are subject to the Privacy Act.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: Subtitle D of title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, 124 Stat. 1376 (July 21, 2010); section 106 of the Housing and Urban Development Act of 1968, 12 U.S.C. § 1701x; and the Housing and Community Development Act of 1987, 42 U.S.C. § 3543, which authorizes HUD to collect SSNs.

PURPOSE(S): The Dodd-Frank Wall Street Reform and Consumer Protection Act amended section 106 of the HUD Act of 1968 to require that all homeownership and rental housing counseling provided in connection with HUD programs be provided by a HUD Certified housing counselor. The proposed rule published on September 13, 2013, set a timeframe for completing the certification examination. The final rule is under review and will address the timeframe when published. HUD will announce the start date of the certification examination in a separate Federal Register notice. The certification examination requires that an individual demonstrate competency by passing a standardized written examination covering six major areas of housing counseling. These areas include: (1) financial management; (2) property maintenance; (3) responsibilities of homeownership and tenancy; (4) fair housing laws and requirements; (5) housing affordability; and (6) avoidance of, and responses to, rental and mortgage delinquency and avoidance of eviction and mortgage default. In addition to passing the certification

examination, individuals must work for a participating agency to become a HUD Certified Counselor. The new database will allow the Department to track housing counselor certifications that will be issued under the Department's Housing Counseling Program, including the initial application/issuance of the HUD certified housing counselor certificate, any reissuance due to changes in employment status, and any revocations of certification. This system may also be used to verify the participating agency's compliance with HUD's Housing Counseling Program requirements. Other statutory changes to improve the effectiveness of housing counseling include increasing the breadth of counseling services so that they are comprehensive with respect to homeownership and rental counseling and issuing client Certificates of Housing Counseling to verify counseling requirements for FHA and other Federal, State, and local programs, as applicable. HUD's Housing Counseling Program currently provides comprehensive homeownership and rental counseling. As noted in the proposed rule published on September 13, 2013, an individual counselor, in contrast to multiple counseling agencies, will have to show competency (through passage of an examination) in identifying and understanding the breadth of homeownership and rental counseling services. Currently, a potential homebuyer or homeowner is likely to seek a housing counseling agency that specializes in a specific area and receive comprehensive counseling by a counselor in that specific area. As a result of increasing the breadth of counseling service knowledge, a housing counselor providing counseling on a specific area requested by the client would also be trained to identify cross-cutting issues that a client may not have identified when seeking out a specific counselor or during the intake process by the housing counseling agency. In addition, certifying individual counselors may further enhance the high regard of agencies and counselors participating in HUD's Housing Counseling Program.

ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING

CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES: In addition to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act, all or a portion of the records or information contained in this system may be disclosed outside HUD as a routine use pursuant to 5 U.S.C. 552a(b)(3), as follows:

- 1) To appropriate agencies, entities, and persons to the extent that such disclosures are compatible with the purpose for which the records in this system were collected, as set forth by Appendix I¹ - HUD's Routine Uses Inventory Notice, published in the Federal Register.
- 2) To appropriate agencies, entities, and persons when:
 - a) HUD suspects or has confirmed that the security or confidentiality of information in a system of records has been compromised;
 - b) HUD has determined that, as a result of the suspected or confirmed compromise, there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of systems or programs (whether maintained by HUD or another agency or entity) that rely upon the compromised information; and
 - c) HUD determines that the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with HUD's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm for purposes of facilitating responses and remediation efforts in the event of a data breach.
- 3) To third party fee collection service for payment of examination fees.

¹ <http://portal.hud.gov/hudportal/documents/huddoc?id=append1.pdf>

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

STORAGE: Records in this system are stored electronically. The records may be stored on magnetic disc, tape, and digital media. There are no hardcopy records produced that require additional storage.

SAFEGUARDS: Access to electronic systems is by password and code identification card and is limited to authorized users. There are no hardcopy records produced that require an additional safeguard.

RETRIEVABILITY: Electronic records are retrieved by name (first and last), agency HCS number, employer, and system ID number. There are no hardcopy records produced that require additional retrieval.

RETENTION AND DISPOSAL: The records that reside in the system will be kept for 10 years after the final action is taken on the file, document, and/or transaction. Longer retention is authorized if required for business use (Reference: GRS 1.2 DAA-GRS-2013-0008-0001). After the record retention requirements have been met (a minimum of 10 years), the data and records can be purged or deleted from the system. If paper records are generated from the system, they can be archived at the local Federal Records Center after the final action or transaction has taken place. Accordingly, paper records will be destroyed by burning or shredding, and electronic records will be destroyed according to NIST Special Publication 800-88, "Guidelines for Media Sanitization."

SYSTEM MANAGER(S) AND ADDRESS: Danberry Carmon, Associate Deputy Assistant Secretary, Office of Housing Counseling, 451 Seventh Street, SW, Room 9224, Washington, DC 20410.

NOTIFICATION AND RECORD ACCESS PROCEDURES: For Information, assistance, or inquiries about the existence of records contact, Frieda B. Edwards, Acting Chief Privacy Officer, 451 Seventh Street, SW, Room 10139, Washington, DC 20410, telephone number 202-402-6828. When seeking records about yourself from this system of records or any other HUD system of records, your request must conform with the Privacy Act regulations set forth in 24 CFR part 16. You must first verify your identity by providing your full name, current address, and date and place of birth. You must sign your request, and your signature must either be notarized or submitted under 28 U.S.C. § 1746, a law that permits statements to be made under penalty of perjury as a substitute for notarization. In addition, your request should:

- (1) Explain why you believe HUD would have information on you.
- (2) Identify which office of HUD you believe has the records about you.
- (3) Specify when you believe the records would have been created.
- (4) Provide any other information that will help the Freedom of Information Act (FOIA) staff determine which HUD office may have responsive records.

If your request is seeking records pertaining to another living individual, you must obtain a statement from that individual certifying their agreement for you to access their records.

Without the above information, HUD may not be able to conduct an effective search, and your request may be denied due to lack of specificity or lack of compliance with applicable regulations.

CONTESTING RECORD PROCEDURES: The Department's rules for contesting contents of records and appealing initial denials appear in 24 CFR Part 16.3, "Procedures for Inquiries." Additional assistance may be obtained by contacting Frieda B. Edwards, Acting Chief Privacy Officer, 451 Seventh Street, SW, Room 10139, Washington, DC 20410, or the HUD

Departmental Privacy Appeals Officer, Office of General Counsel, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 10110, Washington DC 20410.

RECORD SOURCE CATEGORIES:

- 1) Data is provided by State and tribal entities, or others who provide Federal certification data upon which the housing counseling certification is based.
- 2) Data is provided by the requesting applicant at the time of their request for housing counseling certification. This data is generated in the processing of the homeownership and rental housing counseling certification process.

SYSTEMS EXEMPTED FROM CERTAIN PROVISIONS OF THE ACT: None.

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